



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE BRATHWAITE BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

April 27, 2004

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES AND THE CITY
COUNCIL OF THE CITY OF WEST COVINA ACCEPTING THE NEGOTIATED
EXCHANGE OF PROPERTY TAX REVENUE AS A RESULT OF THE PROPOSED
ANNEXATION OF UNINCORPORATED LOS ANGELES COUNTY TERRITORY TO
THE CITY OF WEST COVINA (ANNEXATION NO. 2002-03)
(SUPERVISORIAL DISTRICT 5) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Joint Resolution between your Board and the City Council of the City of West Covina based on the negotiated exchange of property tax revenue, as a result of the proposed annexation of territory located at 2465 South Grand Avenue in unincorporated Los Angeles County into the City's boundaries.
2. Authorize the Chief Administrative Officer to provide the Los Angeles County Local Agency Formation Commission (LAFCO) written consent to waive the protest proceedings for the proposed annexation, pursuant to Section 56663(c)(2) of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On April 6, 2004, the City Council of the City of West Covina adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue for the proposed annexation of unincorporated Los Angeles County territory into the City's legal boundaries. In order for LAFCO to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, the Consolidated Fire Protection District, and Road District No. 5 must also adopt the attached Joint Resolution.

The Honorable Board of Supervisors
April 27, 2004
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The purpose of the protest proceedings waiver is to expedite the LAFCO process to consider the annexation for final approval. If all of the affected public agencies and the landowner involved in the process consent to the waiver, the need for a LAFCO protest hearing is eliminated and LAFCO may order the annexation at the first hearing at which the proposal is considered.

FISCAL IMPACT/FINANCING

The adopted resolution will transfer Three Hundred Six Dollars (\$306) in base property tax revenue and approximately 15 percent of the Annual Tax Increment (ATI) ratio attributable to the annexation area from the County to the City commencing in Fiscal Year 2005-06, as shown below.

Tax Rate Area	Percent of County General Fund Share Before ATI Transfer	Percent of ATI Transfer Rate to City	Adjusted County General Fund Share After ATI Transfer to City
03106	32.9518166	15.2386059	17.7132107

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the property owner, Billary Development, Inc., filed an application with LAFCO dated February 7, 2003 to initiate proceedings for annexation to the City of West Covina of one parcel located at 2465 South Grand Avenue in the unincorporated area of the County, adjacent to the City of West Covina.

Section 99 of the Revenue and Taxation Code requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution.

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Adoption of the Resolution by your Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes, or disapprove the proposal.

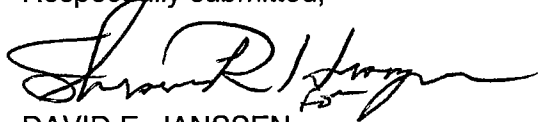
Pursuant to Section 56663(c), LAFCO may waive protest proceedings if (1) the proposed territory is uninhabited, (2) the affected agencies that will gain or lose territory as a result of the change of organization or reorganization have consented in writing to a waiver of protest proceedings, and (3) the affected owners of land have also agreed to the waiver. Pursuant to Section 56046, the annexation area is deemed uninhabited. The City and the landowner, Billary Development, Inc., have provided LAFCO with consent to waive the protest proceedings. Upon your Board's authorization, the Chief Administrative Officer will provide LAFCO with a similar waiver.

The Joint Resolution has been approved as to form by County Counsel.

CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of this letter and three signed originals of the Resolution to LAFCO, one copy of this letter and one signed original of the Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David E. Janssen", with a stylized flourish at the end.

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
DD:MJS:os

Attachment

c: Auditor-Controller
County Counsel

RESOLUTION NO. 2004-26

**JOINT RESOLUTION OF
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AND THE CITY COUNCIL OF THE CITY OF WEST COVINA
APPROVING AND ACCEPTING
THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE RESULTING FROM
ANNEXATION NO. 2002-03 TO THE CITY OF WEST COVINA AND DETACHMENT
FROM THE LOS ANGELES COUNTY CONSOLIDATED FIRE PROTECTION DISTRICT
AND LOS ANGELES COUNTY ROAD DISTRICT NO. 5**

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of affected agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

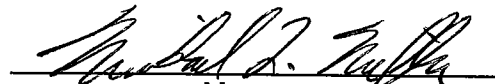
WHEREAS, the Board of Supervisors, as the governing body of the County of Los Angeles, the Consolidated Fire Protection District (CFPD) and Los Angeles County Road District No. 5 (Road District No. 5), and the City Council of the City of West Covina, have determined that the amount of property tax revenue to be exchanged between their respective agencies as a result of the annexation of unincorporated territory located at 2465 South Grand Avenue to the City of West Covina, identified as Annexation No. 2002-03, and detachment of said territory from the CFD and Road District No. 5.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenues between the County of Los Angeles and the City of West Covina resulting from Annexation No. 2002-03 is approved and accepted.
2. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the CFPD attributable to Annexation No. 2002-03 shall be transferred to the County of Los Angeles and the CFPD share shall be reduced to zero as a result of the detachment of the area from the CFPD.
3. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by Road District No. 5 attributable to Annexation No. 2002-03 shall be transferred to the County of Los Angeles as a result of the detachment of the area from Road District No. 5.
4. For fiscal years commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, Three Hundred Six Dollars (\$306) in base property tax revenue (see Attachment A) shall be transferred from the County of Los Angeles to the City of West Covina. In addition, for each fiscal year commencing on or after July 1, 2004, or the July 1 after the effective date of this jurisdictional change, whichever is later, 0.152386059 of the annual property tax growth attributable to Annexation No. 2002-03 shall be transferred from the County of Los Angeles to the City of West Covina, and the County's share of incremental growth shall be reduced accordingly.

5. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of West Covina shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of West Covina has diligently and in good faith complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health & Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

PASSED AND APPROVED on this 6th day of April 2004.


Mayor

ATTEST:


City Clerk

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF WEST COVINA)

I Janet Berry, City Clerk of the City of West Covina, do hereby certify that the foregoing Resolution was adopted by the City Council of the City of West Covina at a regular meeting held on the 6th day of April, 2004.

AYES: Herfert, Hernandez, Sanderson, Wong, Miller

NOES: None

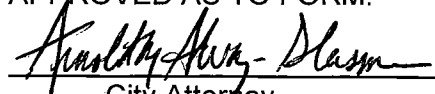
ABSENT: None

DATE: April 6, 2004

EXPIRATION DATE:
April 6, 2005 (if not used)


City Clerk

APPROVED AS TO FORM:


City Attorney


The foregoing resolution was on the ____ day of _____, 2004, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM:

OFFICE OF THE COUNTY COUNSEL

By  _____
Deputy

ATTACHMENT "A"

LOS ANGELES COUNTY
AUDITOR-CONTROLLER, TAX DIVISION
PROPERTY TAX TRANSFER
REVENUE AND RATIO WORKSHEET

AGENCY: City of West Covina ANNEXATION: No. 2002-03 Base Year: 2002-03

Tax Transfer amount is based on the League of Cities' formula which results in a base value transfer and an annual tax increment (ATI) ratio transfer to the City.

Base Revenue Transfer Formula:

$$\frac{A}{A+B} \times C$$

ATI Transfer Formula:

$$\frac{A}{A+B} \times \text{County Taxing Entities ATI}$$

Where:

A = 0.138584436 Agency ATI Ratio in Adjacent Tax Rate Area.
B = 0.332345905 County ATI Ratio in Adjacent Tax Rate Area.
C = 1,040 1% of the net assessed value in the affected TRA multiplied by the combined total of the County General Fund Account plus other affected County Taxing Entities ATI share. (See below):

Net Assessed Value	x	General Levy	1% Levy	x	County Taxing Entities	County Taxing Entities ATI Ratio in Affected TRA	CTE's Share in Affected TRA
					General Fund	0.329518166	
					L.A. Co. Accum	0.000118457	
					Road District #5	0.006063250	
					CFPD	0.182130417	
200,930	x	1%	= 2,009	x		0.517830290	= 1,040

Base Revenue Amount Transfer to the City =

$$\frac{A}{A+B} \times C = \frac{0.138584436}{0.470930341} \times 1,040 = 306$$

ATI Ratio Transfer to the City =

$$\frac{A}{A+B} \times \text{County Taxing Entities ATI} = \frac{0.138584436}{0.470930341} \times 0.517830290 = 0.152386059$$

AFFECTED TRA
03106

ADJACENT TRA
03092

Note: Pursuant to the CAO proposal, annexations with an assessed value of \$1 million or less will receive 100% of the amount calculated in accordance with the above formulas. Annexations with an assessed value of \$1 million will receive 100% of the amount calculated if special district services are assumed and/or the area is essentially residential and service intensive. Annexations with an assessed value of over \$10 million will be negotiated on a case by case basis.

Prepared by: DN Nguyen

Date: 8/21/03

Reviewed by: [Signature]

Date: 8-21-03